

Contra Costa County Economic Forecast

Contra Costa County is located in the San Francisco Bay Area. The county borders Alameda County to the south and San Joaquin County to the east. Together with other Bay Area counties, Contra Costa County thrived in the late 1990s when technology was booming. Since the dotcom bust of 2000, the county has not created any net jobs.

Contra Costa County has a population of just over one million people and more than 334,000 wage and salary jobs. The per capita income in the county is \$45,840, and the average salary per worker is \$54,350. Together with Alameda County, the East Bay metro area has a median family income of \$82,200 in 2005.

Employment growth in the broader Northern California area was weak in 2004, due largely to the Bay Area economies which have been slow to recover. Even as recent as 2004, employment in the Bay Area declined by another 1 percent. In 2004 almost 1,800 jobs were lost in Contra Costa County, representing the second straight year of job losses in the county. Non-farm employment declined by 0.3 percent last year. The unemployment rate, however, fell to a respectable 5.4 percent in 2004.

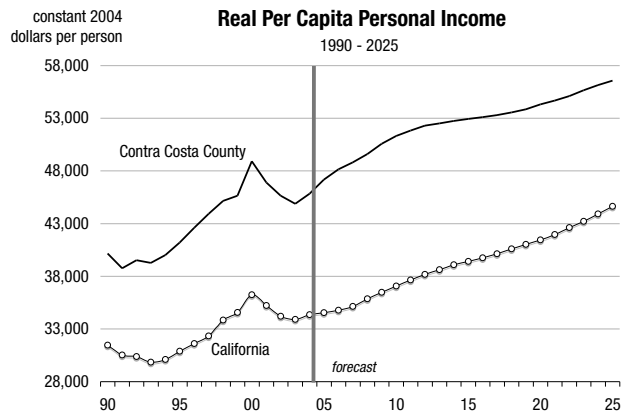
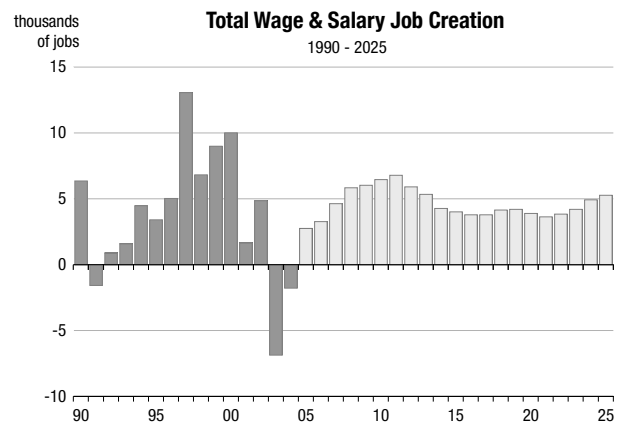
Construction and professional services added the most new jobs in 2004. An historically high number of residential units have recently been built in the county. The manufacturing sector created 200 jobs. This represents the first time jobs have been created in that sector since 2000. Transportation, information services, and government continued to downsize, each losing 500 or more jobs in 2004.

Population growth remains positive in Contra Costa County. The county grew at a rate of 1.4 percent last year. The fastest growing cities in the county are Brentwood and Hercules, which grew 9.8 and 7.1 percent, respectively. The largest city in the county, Concord, actually lost population (by 0.5 percent) last year.

Employment growth is forecast to remain modest in Contra Costa County in 2005. In 2006 and beyond the county will return to healthier levels of job creation.

Forecast Highlights

- Job growth will occur in Contra Costa County in 2005 for the first time since 2002, with total wage and salary jobs increasing by 0.8 percent. Over the next five years, the annual growth rate is expected to average 1.5 percent per year.
- Average salaries adjusted for inflation are currently well above the California average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 1.4 percent per year over the next 5 years.
- Over the next five years, the momentum for employment growth is in professional services, financial activities and



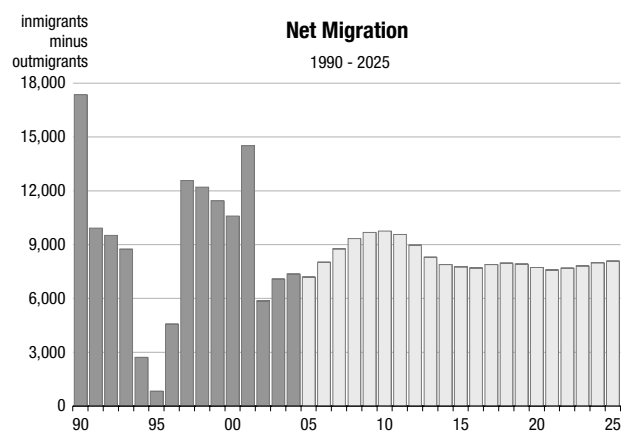
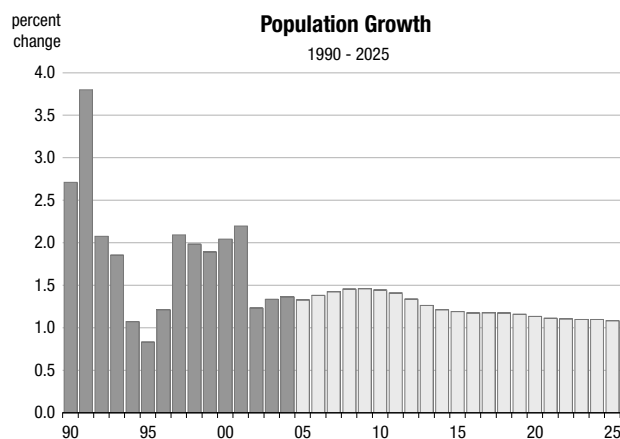
leisure services. These sectors account for 68 percent of all jobs created in the county between 2005 and 2010.

- Population growth at 1.3 percent is forecast for 2005. Annual growth in the 2005 to 2010 period is forecast to average 1.4 percent per year.
- The level of net migration is expected to decline in 2005, to approximately 7,200 people. Net migration will increase over the next five years, averaging just over 9,000 people entering the county per year.
- Real per capita incomes are expected to increase at a rate of 2.9 percent in 2005. Over the next five years real per capita incomes are forecast to increase 1.7 percent per year.
- Industrial production is expected to increase a scant 0.4 percent in 2005. Over the next five years the growth rate of industrial production is forecast to increase an average of 3.5 percent per year.

Contra Costa County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	872,800	829	729	319.5	3,354	\$8.3	\$27.4	\$41,201	2.0	99.4	3.19	5.7
1996	883,400	4,569	742	322.5	3,552	\$8.6	\$29.4	\$42,600	2.3	109.8	3.32	4.9
1997	901,900	12,576	714	325.7	3,514	\$9.3	\$32.0	\$43,925	3.4	118.0	3.60	4.1
1998	919,800	12,205	762	329.1	4,249	\$10.1	\$34.6	\$45,167	3.2	104.8	3.29	3.6
1999	937,200	11,444	786	332.1	4,589	\$11.1	\$37.1	\$45,654	4.2	99.9	3.57	3.0
2000	956,361	10,593	818	344.1	5,639	\$12.3	\$42.4	\$48,931	4.5	102.2	4.13	2.7
2001	977,370	14,516	849	346.5	5,136	\$12.3	\$43.8	\$46,893	5.4	98.9	3.55	3.3
2002	989,422	5,870	879	351.3	5,805	\$12.2	\$43.9	\$45,655	1.6	103.2	3.43	5.2
2003	1,002,629	7,085	869	355.7	6,895	\$12.2	\$44.5	\$44,891	1.8	109.8	3.41	5.7
2004	1,016,302	7,365	870	360.8	5,483	\$12.9	\$46.6	\$45,843	1.2	111.9	3.59	5.4
2005	1,029,809	7,200	875	365.5	5,454	\$13.3	\$49.7	\$47,178	1.7	114.5	3.61	5.2
2006	1,044,040	8,023	883	370.5	5,443	\$14.0	\$52.8	\$48,157	2.7	113.7	3.66	5.0
2007	1,058,933	8,774	893	375.5	5,476	\$14.8	\$55.7	\$48,824	2.6	117.5	3.80	4.9
2008	1,074,337	9,339	905	380.6	5,559	\$15.7	\$58.9	\$49,605	2.6	113.3	3.95	4.6
2009	1,090,050	9,690	918	385.7	5,618	\$16.6	\$62.4	\$50,582	2.5	118.6	4.11	4.5
2010	1,105,800	9,756	932	390.9	5,706	\$17.6	\$65.9	\$51,316	2.7	121.2	4.27	4.5
2011	1,121,366	9,573	947	396.2	5,801	\$18.6	\$69.4	\$51,828	2.7	118.7	4.44	4.4
2012	1,136,358	8,980	961	401.6	5,814	\$19.7	\$73.0	\$52,295	2.8	120.2	4.62	4.4
2013	1,150,714	8,308	975	407.0	5,800	\$20.8	\$76.4	\$52,517	2.9	123.0	4.81	4.3
2014	1,164,686	7,894	988	412.3	5,717	\$21.9	\$79.9	\$52,739	2.9	123.4	5.00	4.3
2015	1,178,557	7,770	999	417.6	5,629	\$23.0	\$83.6	\$52,938	3.1	125.0	5.18	4.3
2016	1,192,395	7,711	1,010	422.8	5,536	\$24.2	\$87.4	\$53,114	3.0	126.7	5.34	4.4
2017	1,206,447	7,892	1,020	427.9	5,437	\$25.5	\$91.3	\$53,306	2.9	123.6	5.52	4.5
2018	1,220,612	7,975	1,029	433.0	5,367	\$26.7	\$95.3	\$53,553	2.7	125.8	5.72	4.5
2019	1,234,763	7,923	1,039	437.9	5,303	\$28.1	\$99.7	\$53,858	2.8	127.2	5.91	4.5
2020	1,248,766	7,738	1,047	442.8	5,229	\$29.5	\$104.4	\$54,320	2.7	127.8	6.12	4.5
2021	1,262,640	7,597	1,056	447.7	5,142	\$31.0	\$109.0	\$54,680	2.6	125.0	6.29	4.5
2022	1,276,598	7,694	1,063	452.4	5,068	\$32.5	\$114.0	\$55,106	2.6	128.1	6.42	4.4
2023	1,290,634	7,815	1,071	457.1	5,021	\$34.0	\$119.6	\$55,660	2.7	125.3	6.58	4.4
2024	1,304,793	7,995	1,079	461.8	5,013	\$35.6	\$125.3	\$56,153	2.7	129.6	6.76	4.4
2025	1,318,962	8,081	1,088	466.4	5,019	\$37.4	\$131.0	\$56,581	2.7	130.5	6.93	4.3



Contra Costa County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
1995	292.7	0.99	18.0	22.8	9.17	47.5	23.7	42.6	14.1	33.1	24.3	45.1
1996	297.7	0.98	19.5	22.7	9.03	48.3	23.1	46.0	14.3	32.4	24.3	45.3
1997	310.8	1.12	20.9	23.7	9.08	49.7	22.9	51.4	15.1	33.6	25.7	45.6
1998	317.6	0.92	22.4	22.8	8.50	50.2	23.2	54.9	15.1	35.8	26.4	45.5
1999	326.6	1.33	24.6	22.5	8.38	50.6	25.0	55.3	15.9	36.9	26.1	47.2
2000	336.6	2.24	27.1	23.4	8.85	52.0	26.3	54.1	17.4	38.3	25.9	48.2
2001	338.3	2.12	28.9	22.8	8.91	52.9	28.6	48.8	16.8	39.5	26.6	49.6
2002	343.2	2.14	27.3	21.9	9.26	53.5	30.8	48.0	16.0	40.3	29.1	50.5
2003	336.3	2.09	27.1	20.7	8.79	51.6	32.4	45.0	13.7	40.5	29.9	50.6
2004	334.5	1.22	27.9	20.9	8.29	51.2	32.2	45.6	13.0	40.8	29.9	49.6
2005	337.3	1.24	28.3	21.0	8.00	51.6	32.4	47.2	12.6	40.9	30.5	49.3
2006	340.6	1.23	28.7	21.2	7.79	52.0	32.9	48.6	12.5	41.0	31.1	49.3
2007	345.2	1.26	28.9	21.3	7.64	52.4	33.5	50.7	12.6	41.1	31.7	49.6
2008	351.0	1.23	29.3	21.4	7.55	53.0	34.5	53.2	12.9	41.0	32.3	50.1
2009	357.1	1.27	29.7	21.4	7.49	53.6	35.4	55.5	13.3	40.9	32.8	50.8
2010	363.5	1.29	30.1	21.5	7.46	54.2	36.5	58.0	13.8	40.7	33.4	51.5
2011	370.3	1.27	30.6	21.7	7.46	54.8	37.7	60.4	14.3	40.7	33.9	52.2
2012	376.2	1.28	31.0	21.8	7.47	55.5	38.4	62.4	14.8	40.8	34.4	52.8
2013	381.6	1.30	31.4	21.9	7.50	56.1	39.1	64.1	15.2	41.0	34.9	53.3
2014	385.9	1.30	31.6	22.0	7.53	56.7	39.5	65.2	15.6	41.2	35.4	53.9
2015	389.9	1.32	31.9	22.0	7.57	57.3	39.9	66.2	16.0	41.5	35.9	54.4
2016	393.7	1.33	32.1	22.0	7.62	57.9	40.3	66.7	16.3	41.9	36.3	54.9
2017	397.5	1.30	32.3	22.0	7.66	58.4	40.8	67.3	16.7	42.4	36.8	55.5
2018	401.6	1.32	32.4	22.1	7.70	59.0	41.3	67.8	17.0	43.0	37.3	56.1
2019	405.8	1.33	32.6	22.1	7.74	59.6	41.8	68.5	17.3	43.7	37.7	56.8
2020	409.7	1.34	32.8	22.1	7.78	60.2	42.2	69.1	17.6	44.4	38.1	57.4
2021	413.4	1.31	32.9	22.1	7.83	60.8	42.4	69.6	17.8	45.1	38.5	58.1
2022	417.2	1.34	33.0	22.2	7.86	61.4	42.6	70.1	18.1	45.9	38.9	58.8
2023	421.4	1.32	33.1	22.3	7.90	62.0	42.9	70.7	18.4	46.7	39.2	59.5
2024	426.3	1.35	33.2	22.5	7.94	62.6	43.6	71.5	18.7	47.6	39.6	60.2
2025	431.6	1.36	33.4	22.8	7.98	63.3	44.5	72.3	19.0	48.5	39.9	60.9

